

TITLE 20. COMMERCE, BANKING, AND INSURANCE

CHAPTER 8. GREATER ARIZONA DEVELOPMENT AUTHORITY

(Authority: A.R.S. § 41-1554.04)

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ARTICLE 2. FINANCIAL ASSISTANCE

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ARTICLE 1. TECHNICAL ASSISTANCE

R20-8-101. Definitions

In addition to the definitions prescribed in A.R.S. § 41-1554, the following definitions apply in this Article:

1. "Administratively complete" means that an applicant has completed the application for technical assistance and provided all of the information that staff determines is applicable.
2. "Applicant" means a political subdivision, special district, Indian tribe, or tribal subdivision that applies to the Authority for technical assistance.
3. "Authority" means the Greater Arizona Development Authority.
4. "Board" means the board of directors of the Authority or their designees.
5. "Economic impact summary" means an economic analysis that establishes the economic context for a project based on information provided by the applicant.
6. "Economic overview" means an economic analysis that establishes the economic context for a project based on public data and information provided by the applicant.
7. "Infrastructure" means any facility located in this state for public use and owned by a political subdivision, special district or Indian tribe that retains ultimate responsibility for its operation and maintenance. A.R.S. § 41-1554(6).
8. "Project" means the whole, or any distinguishable segment or segments, of publicly owned infrastructure for which technical assistance is being requested or provided.
9. "Project Assistance Account" means an account within the Technical Assistance Program of the Authority designed to provide technical assistance for eligible infrastructure projects that are in the final phases of project development.
10. "Project Development Account" means an account within the Technical Assistance Program of the Authority designed to provide technical assistance to eligible infrastructure projects that are in the early or exploratory phases of project development.
11. "Staff" means the Executive Director and the Finance Director of the Authority.

12. "Technical assistance round" means a period of time established by the Board during which applications for technical assistance are sent to potential applicants, returned to the Authority, analyzed by Staff, and submitted to the Board for approval or disapproval.
13. "Tribal subdivision" means any chapter, district or village that is recognized by an Indian tribe by resolution or through tribal constitution and that receives technical assistance. A.R.S. § 41-1554(14).

Historical Note

Adopted effective February 3, 1998 (Supp. 98-1).
Amended by final rulemaking at 5 A.A.R. 1312, effective April 15, 1999 (Supp. 99-2). Amended by final rulemaking at 6 A.A.R. 1317, effective March 14, 2000 (Supp. 00-1). Amended by final rulemaking at 7 A.A.R. 2042, effective April 10, 2001 (Supp. 01-2).

R20-8-102. Application Process

- A. The Board shall annually establish a due date by which applications for technical assistance shall be submitted for each technical assistance round, and the number of technical assistance rounds to be held in a given state fiscal year. To the extent it deems necessary, the Board may extend the due date by which applications for technical assistance are to be submitted.
- B. The Authority shall send solicitation letters to potential applicants at least 60 days before applications are due. Other interested persons may submit requests to the Authority to be placed on a mailing list to be utilized by the Authority in sending out solicitation letters.
- C. An applicant shall provide to the Authority by the established due date for applications on a form provided by the Authority any of the following information that the staff determines is applicable:
 1. Contact information for the applicant, including name, address, and telephone number;
 2. A description of the type of technical assistance being requested and an estimate of the cost of the technical assistance;
 3. A detailed description of the project;
 4. A summary of the anticipated economic impact the project will have on the community as estimated by the applicant;
 5. The estimated starting date, completion date, and projected cost of the infrastructure project for which the technical assistance is being requested;
 6. The projected sources and uses of funds for the infrastructure project, including public and private in-kind contributions;
 7. A list of professional and outside service providers who have worked with the applicant on any part of the project; or
 8. An indication of whether the application is for monies from the Project Development Account or the Project Assistance Account.
- D. In addition to the application required in subsection (C), an applicant shall provide to the Authority by the established due date for applications any of the following information that the staff determines is applicable:

1. A planning document specific to the locality of the project for which the technical assistance is being requested that includes the project, such as a capital improvement plan, local strategic plan, or similar planning document or evidence that the project has been discussed in meetings or in study sessions of the governing body of the applicant;
 2. If the project is listed on the project priority list of the Water Infrastructure Finance Authority or on the Department of Transportation's Five-Year State Plan, a document evidencing this fact; and
 3. A resolution from the governing body of the applicant stating the following:
 - a. The project is in the best interests of the residents;
 - b. The estimated economic impact on the community;
 - c. The commitment of local funds, if applicable; or
 4. If the applicant is a tribal subdivision;
 - a. A resolution from the tribal council in support of the tribal subdivision's technical assistance application; or
 - b. Certification by the tribal council that the tribal subdivision may enter into intergovernmental agreements with state agencies without further tribal council action.
 5. The applicant's most recent financial statements.
- E.** Staff shall analyze each application received on or prior to the due date for applications for technical assistance to determine whether the application is administratively complete and whether an applicant meets the eligibility criteria prescribed in R20-8-103. Applications for technical assistance that are determined to be both administratively complete and eligible for technical assistance under R20-8-103 shall be submitted to the Board for prioritization and possible funding. Applications that are either not administratively complete or do not meet the criteria in R20-8-103 shall not be submitted to the Board.

Historical Note

Adopted effective February 3, 1998 (Supp. 98-1).
 Amended by final rulemaking at 5 A.A.R. 1312, effective April 15, 1999 (Supp. 99-2). Amended by final rulemaking at 6 A.A.R. 1317, effective March 14, 2000 (Supp. 00-1). Amended by final rulemaking at 7 A.A.R. 2042, effective April 10, 2001 (Supp. 01-2).

R20-8-103. Eligibility Criteria

To be eligible to receive technical assistance, an applicant shall satisfy the following criteria:

1. The applicant is a political subdivision, Indian tribe, tribal subdivision, or special district;
2. The technical assistance requested is for the development or financing of an infrastructure project;
3. The application is administratively complete;
4. The applicant provides evidence that the project has public support;
5. The applicant provides evidence that the project is part of an adopted comprehensive plan, for example, a capital improvement plan, a local strategic plan, or similar planning document or evidence that the project has been discussed in meetings or in study sessions of the governing body of the applicant;
6. The cost of the technical assistance does not exceed 10% of the total cost of the final project;
7. The applicant does not have an open award agreement for technical assistance with the Authority; and
8. The applicant is not requesting technical assistance for a project that has already received funds from the Financial Assistance Program.

Historical Note

Adopted effective February 3, 1998 (Supp. 98-1).
 Amended by final rulemaking at 5 A.A.R. 1312, effective April 15, 1999 (Supp. 99-2). Amended by final rulemaking at 6 A.A.R. 1317, effective March 14, 2000 (Supp. 00-1). Amended by final rulemaking at 7 A.A.R. 2042, effective April 10, 2001 (Supp. 01-2).

R20-8-104. Priority; Approval and Disapproval; Protest

- A.** The Authority shall request the Department of Commerce prepare an economic overview for each of the projects eligible for technical assistance that establishes the economic context for the project.
- B.** During each technical assistance round, the Board shall determine the order and priority of infrastructure projects, for both the Project Development Account and the Project Assistance Account, for which an eligible application for technical assistance has been received. For the Project Development Account, the Board shall use a scale of 75 points maximum for all applications based on the criteria in Table A. For the Project Assistance Account, the Board shall use a scale consisting of 95 points maximum for tribal applications and a scale consisting of 100 points maximum for all other applications based on the criteria in Table B. Application scores shall then be prioritized based on a percentage of the points received to total points possible.
- C.** Applications for monies from the Project Development Account with tied scores shall be prioritized by comparing the scores that each application received in Table A under the following categories in descending order of importance:
 1. Evidence of local support for the project;
 2. Evidence of the project's impact on the community; and
 3. Evidence that financial and managerial capacity to operate and maintain the project will be researched and developed as part of the requested technical assistance.
- D.** The prioritization under subsection (C) is as follows:
 1. The tied application with the higher score under subsection (C)(1) shall have priority over other applications;
 2. If the tied applications have the same score under subsection (C)(1), the application with the higher score under subsection (C)(2) shall have priority over the other applications;
 3. If the tied applications have the same score under subsections (C)(1) and (C)(2), the application with the higher score under subsection (C)(3) shall have priority over the other applications;
 4. If tied applications have the same score under subsections (C)(1), (C)(2), and (C)(3), the Board shall determine the priority of the applications.
- E.** Applications for monies from the Project Assistance Account with tied scores shall be prioritized by comparing the scores that each application received in Table B under the following categories in descending order of importance:
 1. Evidence of local support for the project;
 2. Evidence of a permanent funding source for the project;
 3. Evidence of the project's impact on the community; and
 4. Evidence of sufficient financial and managerial capacity to operate and maintain the project.
- F.** The prioritization under subsection (E) is as follows:
 1. The tied application with the higher score under subsection (E)(1) shall have priority over other applications;
 2. If the tied applications have the same score under subsection (E)(1), the application with the higher score

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- under subsection (E)(2) shall have priority over the other applications;
3. If the tied applications have the same score under subsections (E)(1) and (E)(2), the application with the higher score under subsection (E)(3) shall have priority over the other applications;
 4. If the tied applications have the same score under subsections (E)(1), (E)(2), and (E)(3), the application with the higher score under subsection (E)(4) shall have priority over the other applications;
 5. If the tied applications have the same score under subsections (E)(1), (E)(2), (E)(3), and (E)(4), the Board shall determine the priority of the applications.
- G.** The Board shall approve or disapprove each eligible application for technical assistance based upon the priority list and available funding for technical assistance. The Board may fund all or a portion of a technical assistance request.
- H.** The Authority shall mail the Board's written determination to each applicant within 90 days after the date that all applications for technical assistance are due.
- I.** For each approved project, the Authority shall establish a date by which the commitment of the Authority to provide technical assistance expires. The Authority shall not provide technical assistance for an approved project if the applicant does not complete all agreements with the Authority on or before that date.
- J.** The Authority shall bypass a project within a technical assistance round and offer funding to the next highest ranking project if the project is not ready to proceed within the next 6-month period after the award date.
- K.** An applicant whose project for technical assistance is disapproved may file a protest with the Board as follows:
1. The applicant shall submit its reasons for protesting the decision of the Board, in writing, within 20 days of the date of the Board's written determination, in a letter addressed to the Chairperson of the Board, with a copy to the Executive Director of the Authority.
 2. The Authority shall review the substance of the protest and respond, in writing, by mail, to the applicant, within 30 days. Staff shall distribute a copy of the response to the Board.
 3. Upon receipt of the Authority's written response, the applicant may request an opportunity to make a direct presentation to the Board. Staff shall schedule the presentation for the next regular Board meeting.
 4. Following the applicant's presentation, the Board shall decide whether to review the applicant's request for technical assistance. Within 30 days after the presentation, the Board shall, in writing, notify the applicant of its final decision regarding the applicant's request for technical assistance.

Historical Note

Adopted effective February 3, 1998 (Supp. 98-1).
 Amended by final rulemaking at 5 A.A.R. 1312, effective April 15, 1999 (Supp. 99-2). Amended by final rulemaking at 6 A.A.R. 1317, effective March 14, 2000 (Supp. 00-1). Amended by final rulemaking at 7 A.A.R. 2042, effective April 10, 2001 (Supp. 01-2).

Table A. Priority Criteria - Project Development Account

Priority Criteria - Project Development Account		Point Total
1. Evidence of local support for the project based on the following:		30 points
The project is included in the General Plan, Capital Improvement Plan, or other similar planning document of the applicant or has been discussed in meetings or study sessions of the applicant's governing board.	Up to 15 points	
The project has public/private partnerships that will provide financial or in-kind services.	Up to 10 points	
The project has received a resolution of support from the governing board of the applicant.	5 points	
2. Evidence of the project's impact on the community based on the following:		30 points
An economic impact summary as prepared and submitted by the applicant.	Up to 10 points	
The project addresses health, safety, and welfare issues.	Up to 10 points	
An economic overview prepared by the Department of Commerce.	Up to 5 points	
The applicant has not previously received funding from the GADA Technical Assistance Program.	5 points	
3. Evidence that information regarding financial and managerial capacity necessary to operate and maintain the project will be researched and developed as part of the requested technical assistance.	Up to 15 points	15 points
Maximum Point Total		75 points

Historical Note

New Table adopted by final rulemaking at 5 A.A.R. 1312, effective April 15, 1999 (Supp. 99-2). Amended by final rulemaking at 6 A.A.R. 1317, effective March 14, 2000 (Supp. 00-1). Amended by final rulemaking at 7 A.A.R. 2042, effective April 10, 2001 (Supp. 01-2).

Table B. Priority Criteria - Project Assistance Account

Priority Criteria - Project Assistance Account		Point Total
1. Evidence of local support for the project based on the following:		35 points
The project is included in the General Plan, Capital Improvement Plan, or other similar planning document of the applicant or has been discussed in meetings or study sessions of the applicant's governing board.	Up to 15 points	
The project has public/private partnerships that provide financial or in-kind services.	Up to 10 points	
The project has received a resolution of support from the governing board of the applicant.	5 points	
The project has received voter authorization.*	5 points	
2. Evidence of the project's impact on the community based on the following:		30 points
An economic impact summary as prepared and submitted by the applicant.	Up to 10 points	
The project addresses health, safety, and welfare issues.	Up to 10 points	
An economic overview prepared by the Department of Commerce	Up to 5 points	
The applicant has not previously received funding from the GADA Technical Assistance program.	5 points	
3. Evidence of a permanent funding source for the project:		20 points
The project is a likely candidate for a GADA Financial Assistance loan.	Up to 10 points	
A revenue stream has been identified to pay for the project.	5 points	
A funding source has been identified for the project.	5 points	
4. Evidence of sufficient financial and managerial capacity to operate and maintain the project.	Up to 15 points	15 points
Maximum Point Total		95/100 points

* State law does not require tribal governments to obtain voter authorization for infrastructure project; therefore, technical applications received from tribal governments will be based on an adjusted 95-point scale, as described in R20-8-104(B).

Historical Note

New Table adopted by final rulemaking at 6 A.A.R. 1317, effective March 14, 2000 (Supp. 00-1).

ARTICLE 2. FINANCIAL ASSISTANCE

R20-8-201. Definitions

In addition to the definitions prescribed in A.R.S. § 41-1554, the following definitions apply in this Article:

1. "Administratively complete" means that an applicant has completed the application for financial assistance and provided all of the information that the staff determines is applicable.
2. "Applicant" means a political subdivision, special district, or Indian tribe that applies to the Authority for financial assistance.
3. "Authority" means the Greater Arizona Development Authority.
4. "Board" means the board of directors of the Authority or their designees.
5. "Dedicated revenue source" means the origin of money committed by an Indian tribe to be used for repayment of a loan.
6. "Economic evaluation" means a detailed economic analysis based on public data and information provided by the applicant.
7. "Financial assistance round" means a period of time established by the Board during which applications for financial assistance are sent to potential applicants, returned to the Authority, analyzed by Staff, and submitted to the Board for approval or disapproval.
8. "Infrastructure" means any facility located in this state for public use and owned by a political subdivision, special district or Indian tribe that retains ultimate responsibility for its operation and maintenance. A.R.S. § 41-1554(6).
9. "Pledged revenues" means any monies to be received by a political subdivision or special district, including property taxes, other local taxes, fees, assessments, or charges pledged by a political subdivision or special district as a source for repayment of a loan repayment agreement.
10. "Project" means the whole, or any distinguishable segment or segments, of publicly owned infrastructure for which financial assistance is being requested or provided.
11. "Staff" means the Executive Director and the Finance Director of the Authority.

Historical Note

Adopted effective February 3, 1998 (Supp. 98-1).
Amended by final rulemaking at 7 A.A.R. 2042, effective
April 10, 2001 (Supp. 01-2).

R20-8-202. Application Process

- A.** The Board shall annually establish a due date by which applications for financial assistance shall be submitted for each financial assistance round, and the number of financial assistance rounds to be held in a given state fiscal year. To the extent it deems necessary, the Board may extend the due date by which applications for financial assistance are to be submitted.
- B.** The Authority shall send solicitation letters to potential applicants at least 60 days before applications are due. Other interested persons may submit requests to the Authority to be placed on a mailing list to be utilized by the Authority in sending out solicitation letters.
- C.** An applicant shall provide to the Authority by the established due date for applications on a form provided by the Authority any of the following information that the staff determines is applicable:
1. Contact information for the applicant, including name, address, and telephone number;
 2. Financial statements, audits, or comprehensive annual financial statements relating to the applicant for the applicant's current fiscal year;
 3. Financial statements, audits, or comprehensive annual financial statements relating to the applicant for the previous 5 fiscal years;
 4. The proposed or estimated financial statement or budget, and business plan or management plan for the current and next fiscal years;
 5. A fee schedule for the applicable enterprise funds for the current and past 5 fiscal years if not included in response to subsections (C)(2), (3), and (4);
 6. The source of pledged revenues or dedicated revenue source to be used to repay the requested financial assistance;
 7. The amount of pledged revenues or money collected through the dedicated revenue source for each of the previous 5 fiscal years;
 8. An estimate of the amount of pledged revenues or money that will be collected through the dedicated revenue source for the current fiscal year;
 9. A projection of the amount of pledged revenues or money that will be collected through the dedicated revenue source for each of the next 5 fiscal years;
 10. A list of professional and outside service providers, including their professional qualifications, that are working or have worked on the project;
 11. An estimate of the project costs, including applicable planning, design, and construction costs, as well as estimated annual operation, maintenance, and replacement costs;
 12. An estimated schedule of required disbursements of the financial assistance; or
 13. Any information that may have a negative effect on the applicant's application, or on its financial condition, including material information relating to other projects undertaken by the applicant, pending lawsuits, and current investigations by state or federal authorities.
- D.** In addition to the application required in subsection (C), an applicant shall provide to the Authority by the established due date for applications any of the following information that the staff determines is applicable:

1. Copies of documentation relating to outstanding indebtedness, including official statements, financial assistance agreements, and amortization schedules;
 2. A detailed description of the project, with an explanation of how the project complements the overall development of the community, including the following, if available and applicable:
 - a. Copies of project feasibility studies, engineering reports, project designs, rate studies, and related material;
 - b. A detailed timeline for the project; and
 - c. A planning document specific to the locality of the project for which the financial assistance is being requested that includes the project, such as a capital improvement plan, local strategic plan, or similar planning document;
 3. A resolution of the governing body of the applicant stating the following:
 - a. The project is in the best interests of its residents;
 - b. The commitment of local funds, if applicable; and
 - c. If a political subdivision, then confirmation of the pledge of the state-shared revenues;
 4. For a political subdivision, a written commitment by its governing body to complete all applicable reviews and approvals and to secure all required permits in a timely manner;
 5. For a political subdivision, evidence of voter approval to incur debt in connection with the project:
 - a. If the election for voter authorization has been held, a copy of the ballot evidencing voter authorization for the debt in connection with the project and official action canvassing the results of the election;
 - b. If the election for voter authorization is scheduled to be held after the application date, sample ballot language and evidence of a plan to obtain voter authorization for the debt to be incurred in connection with the project;
 6. For a political subdivision, if voter approval has been obtained for substantially the same project but with a different funding source, evidence of that approval in lieu of that required by subsection (D)(5); and
 7. For an Indian tribe, evidence of the current or proposed establishment of a dedicated revenue source under the control of a tribally chartered corporation or other tribal entity subject to suit by the Attorney General, or evidence that additional assets that are subject to execution by the Attorney General without the waiver of any claim of sovereign immunity by the Tribe have been designated as additional security.
- E.** Staff shall analyze each application received on or prior to the due date for applications for financial assistance to determine whether the application is administratively complete and whether an applicant meets the eligibility criteria prescribed in R20-8-203. Applications for financial assistance that are determined to be both administratively complete and eligible for financial assistance under R20-8-203 shall be submitted to the Board for prioritization and possible funding. Applications that are either not administratively complete or do not meet the criteria in R20-8-203 shall be submitted to the Board with a recommendation that they be disapproved.

Historical Note

Adopted effective February 3, 1998 (Supp. 98-1).
Amended by final rulemaking at 7 A.A.R. 2042, effective
April 10, 2001 (Supp. 01-2).

R20-8-203. Eligibility Criteria

To be eligible to receive financial assistance, an applicant shall satisfy the following criteria:

1. The applicant is either a political subdivision, special district, or Indian tribe;
2. The financial assistance requested is for an infrastructure project;
3. The application is administratively complete;
4. The applicant demonstrates that the financial assistance can be repaid and the level of security pledged to the loan is consistent with A.R.S. §§ 41-1554.06(D)(4) through (D)(6);
5. The applicant demonstrates that the project is ready for construction and the applicant is ready to proceed;
6. The applicant provides evidence that the project has public support;
7. The applicant provides evidence that the project is part of an adopted comprehensive plan, for example, a capital improvement plan, local strategic plan, or similar planning document; and
8. The applicant has the capacity to manage, construct, and operate the infrastructure project.

Historical Note

Adopted effective February 3, 1998 (Supp. 98-1).
Amended by final rulemaking at 7 A.A.R. 2042, effective
April 10, 2001 (Supp. 01-2).

R20-8-204. Priority; Approval and Disapproval; Funding; Protest

- A. The Board shall disapprove an application for financial assistance which does not meet the eligibility criteria in R20-8-203.
- B. The Authority shall request the Department of Commerce prepare an economic evaluation for each of the projects eligible for financial assistance that analyzes the benefits and costs of the project.
- C. During each financial assistance round, the Board shall determine the order and priority of infrastructure projects for which an eligible application for financial assistance has been received based on the following factors listed below in order of importance. A project shall be given a higher priority to receive financial assistance for each of the following:
 1. The applicant demonstrates strong credit worthiness and ability to repay the obligation; for example, the applicant has a coverage ratio of at least 1 or a debt service reserve consisting of a set aside of 1 year of projected principal and interest payments;
 2. The applicant has little or no access to alternative funding sources that provide the same or lower interest rate as that provided by the Authority;
 3. There is evidence of a high degree of certainty of the project's economic benefits based on 1 or more of the following:
 - a. The economic evaluation prepared by the Department of Commerce;
 - b. Partnerships, to the extent that they exist, both public and private, providing financial and in-kind services, in support of the project; or
 - c. The public support; or

4. The purpose of the project is for 1 or more of the following:
 - a. Public health or safety reasons;
 - b. Current identified infrastructure needs; or
 - c. Future identified infrastructure needs.

D. The Board shall approve or disapprove each application for financial assistance based upon the priority list and available funding for financial assistance. The Board may fund all or a portion of a financial assistance request. Disbursement of funds to an approved applicant shall only occur upon the applicant's agreement with the terms and conditions established by the Board in accordance with A.R.S. § 41-1554.06.

E. The Authority shall mail the Board's written determination to each applicant within 90 days after the date that all applications for financial assistance were due.

F. For each approved project, the Authority shall establish a date by which the commitment of the Authority to provide financial assistance expires. The Authority shall not provide financial assistance for an approved project if the applicant does not complete all agreements with the Authority on or before that date.

G. An applicant whose project for financial assistance is disapproved may file a protest with the Board as follows:

1. The applicant shall submit its reasons for protesting the decision of the Board, in writing, within 20 days of the date of the Board's written determination, in a letter addressed to the Chairperson of the Board, with a copy to the Executive Director of the Authority.
2. The Authority shall review the substance of the protest and respond, in writing, by mail, to the applicant, within 30 days. Staff shall distribute a copy of the response to the Board.
3. Upon receipt of the Authority's written response, the applicant may request an opportunity to make a direct presentation to the Board. Staff shall schedule the presentation for the next regular Board meeting.
4. Following the applicant's presentation, the Board shall decide whether to review the applicant's request for financial assistance. Within 30 days after the presentation, the Board shall, in writing, notify the applicant of its final decision regarding the applicant's request for financial assistance.

Historical Note

Adopted effective February 3, 1998 (Supp. 98-1).